IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION

THE TRUSTEES OF PURDUE UNIVERSITY
* January 28, 2022
VS. *
* CIVIL ACTION NO. W-21-CV-727
STMICROELECTRONICS N.V. ET AL*

BEFORE THE HONORABLE ALAN D ALBRIGHT
PROTECTIVE ORDER HEARING (via Zoom)

APPEARANCES:

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(January 28, 2022, 9:30 a.m.)

DEPUTY CLERK: Civil hearing regarding protective order in Civil Action W-21-CV-727, styled The Trustees of Purdue University versus STMicroelectronics NV and others.

THE COURT: If I could have announcements from counsel, please.

MR. SIEGMUND: Good morning, Your Honor. This is Mark Siegmund for plaintiff Purdue University, also with Steckler Wayne Cochran Cherry. With me this morning are my co-counsel, Michael Shore and Raphael Chabaneix from Shore Chan LLP.

And Mr. Shore's going to be the main speaker today, Your Honor.

MR. COHEN: Good morning, Your Honor. Justin Cohen of Holland & Knight for the defendants. With me is Nadia Haghighatian, also of Holland & Knight, and my co-counsel who needs no introduction, Max Ciccarelli.

THE COURT: Good morning all.

Happy to take -- I've been through and reviewed the issues, and I'm happy to take them up. Happy to hear from counsel.

MR. COHEN: Thank you, Your Honor. We were thinking we'd start with the source code provisions of the protective order, then move to the acquisition bar, if that's okay with you.

THE COURT: Fine with me.

MR. COHEN: All right. Well, Your Honor, I think this

dispute is somewhat straightforward. The defendants here are trying to protect our most-valued and important and sensitive data. These are the GDS files, process flows, recipes that are used to manufacture both the accused products and prior art products. These truly are the crown jewel type of files of STMicroelectronics, the most-closely guarded.

And what we've done is used the Court's standard source code protective order and source code provisions and simply asked to include these particular files under the same protections.

Plaintiff Purdue doesn't think that these files are deserving of source code protection because they are not "source code," which I think puts form over substance because there's plenty of source code that isn't deserving of real strong protections.

But there's really no question in semiconductor cases that these are the types of files that are deserving of the most important protection, mostly because, you know, the inadvertent disclosure means that someone could potentially figure out how to manufacture ST's, you know, products.

And I'm happy to go through some of the language if you'd like, Your Honor.

THE COURT: Sure. Please.

MR. COHEN: Okay. So what -- put up here. I have just a couple of slides.

And so what we've done here, Your Honor -- is that visible, Your Honor?

THE COURT: Yes, sir.

MR. COHEN: Okay. So this is the Court's standard source code provision. This is in Section 11. And what we've done is just modified it to not only include source code but to also include GDS files, CAD CAE files, process flow simulation, design files, microcode masks. So that those files would be designated as source code and protected as such.

You know, this is a provision, Your Honor, that we believe is standard among semiconductor cases. This Court's granted similar protections for exactly these types of files, for example, in the VLSI versus Intel case. This is straight out of the protective order from the VLSI Intel case giving source code protections for design files, schematics, net lists, representations of silicon masks, circuit design diagrams, you know.

So we believe that there's really no question these are the types of files that are deserving of source code protection. And, in fact, plaintiffs's firm in the past in a separate case, CyWee v. HTC, also agreed to similar source code protections for exactly these types of design files.

Putting in there that source code material would include items that include the physical design files, formulas, engineering specifications, recipes, schematics, things that

describe the algorithms or the structure of hardware which is what we're talking about here. The accused products are semiconductor products, Your Honor.

And, again, plaintiff's law firm in that CyWee/HTC case specifically said source code produced shall be made available for inspection. And that would include GDS files. So to us, Your Honor, there's really no question these are the types of files that should be source code-level of protection. And it's been standard in the past.

THE COURT: A response?

MR. SHORE: Your Honor, if you -- first of all, they can't point you to a single case where ST, in a piece of litigation, has achieved this level of restriction, where ST has ever gotten it. I've litigated with ST. In the case I litigated with ST, they didn't ask for this and they didn't get it.

They have literally asked that every single document they produce will have to be produced in the office of their counsel so that counsel for Purdue and its experts, to review everything, will have to go to the office of Thompson & Knight, everything related to anything technical. If you look at that laundry list, it is everything that would ever come about.

So let's go back to exactly what process flows are.

When ST files for a patent, when Purdue filed for a patent, the process by which you make the semiconductor is disclosed in the patent. It's disclosed in the specification.

For every process patent that you ever have in a semiconductor case, to enable the patent, you have to disclose the process in the specification.

The process in these patents even includes the time and temperature, very detailed in many of these patents. So this is not the golden jewels of any company.

But anyway, they can mark it attorneys' eyes only. They can mark it confidential. In my 30-year career no one in my office or my firm has ever in any way, shape, form or fashion been in any way violative of a protective order.

There -- also the other thing I think is interesting, they bring up the Intel-VLSI case. That was an agreed protective order. I'm certainly not -- and I have no idea why they agreed to that, I have no idea what the status of VLSI and Intel are as far as being competitors to one another or anything like that. No idea.

But I can tell you right now, Purdue does not own a semiconductor process fab. So it has no use for, you know, no internal use. Purdue has no products. Purdue has no fab. There is nothing Purdue can do with these materials.

And it is not source code. In the HTC case he referenced, that was a pure source code case. It was 100 percent. The entire case rested on what the source code said and how the source code operated.

You cannot take a process flow and put it into a computer

and run a process. A process flow is a step-by-step instructions on how to make a device.

I can print you off of the Internet process flows for semiconductors. They're claiming that the -- that their processes predate the patent and that their processes are well-known, and they produced prior art with processes disclosed in the prior art.

So again, this is just an attempt by ST to add to the cost of the litigation, to force us to put our experts in their office to look at anything.

If it was source code, great. They can designate it as source code if it is executable source code, if it is source code that could be copied and put into a -- some sort of a device to help somebody make a product.

But Purdue's not a competitor. Purdue doesn't have any products. Purdue doesn't even have the machines to make products. This is a university, a nonprofit, sovereign university. This is not a competitor. So there's no reason for this.

And in -- and I guess I've probably done in my career 50 semiconductor cases. I've never seen anything like this. I've seen it attempted, but I've never seen any court enter an order like this in a case like this. These are MOSFETs or maybe MOSFET combination, IGBT, depending on where they go off on the branch.

But this is not a processor. These are not processors that are doing intricate calculations based upon software. These are physical devices. These are basically glorified switches. So there is --

And by the way, there are -- we have torn apart parts from Toshiba, parts from ST, parts from Littlefuse, parts from Han. We've torn apart all those parts. They all look the same. Their part isn't anything special compared to anybody else's part. They all pretty much look exactly the same, because everybody's making them pretty much exactly the same way.

So they can market AEO, but this will add tremendously to the cost to litigate this case, which is I think their only purpose in doing this. Because they can't really think that Purdue is going to take their information and use it competitively. They can't really believe that Shore Chan is going to take their information and use it competitively.

So this is much ado about nothing, other than driving up costs, forcing our experts to go to their office to do basic fundamental review. And forcing us, I suppose, to go with the experts because we ourselves need to be able to look at this.

The way it'll work with our experts is we'll have the material in front of us at our desk, on the computer or in paper. And our expert will be hundreds of miles away. And we need to be able to talk to them with where we're located in our office and they're located in their office. And they can look

at the AEO, attorney's eyes only material.

But otherwise what they're saying is, we've got to get together with our expert every time we want to talk to our expert about any of this material. And sit in Thompson or Holland & Knight's offices every time we talk to an expert. The burden on this is extreme. The protection -- the added protection is none. There is no risk. There's no risk of this any more than there's risk of anything else.

Matter of fact, I think you would -- if they were honest, they would tell you probably the most important information that is going to be released in this case is pricing because that's the information that their competitors are most wanting to know about, is pricing, margins and things like that, so they could go steal customers. They're not even asking for that to be AEO.

So again, I think this is purely to drive up costs, to hinder our ability to prepare the case. No other -- in the other case involving right now with -- we have with Wolfspeed and Cree in North Carolina, they didn't ask for any of this. And Wolfspeed is the supplier to ST of the starting material that -- for the parts that are involved in this case.

So if this is so industry standard and so normal, Wolfspeed, the other current party in the case, has not asked for this. So I think that, in and of itself, reveals exactly what's going on.

If the Court has any questions, I'm happy to answer them, but this is a incredible overreach.

THE COURT: A response?

MR. COHEN: Thank you, Your Honor.

Well, I'm a little surprised to hear Mr. Shore's position, because in their paper they literally offer modified source code protections for at least some of our files, namely the GDS files. And so to say that there should be no source code protection is actually contrary to what they submitted to the Court.

But also Mr. Shore has agreed in the past in the CyWee versus HTC case to protect as source code the same types of files we're talking about here, the process flows.

But I think the important issue here, Your Honor, is we're just asking for the Court's standard source code protection for a very limited set of files. And given plaintiff Purdue is able to print and take and keep as AEO the prints of these limited sets of files, this is really not a major burden -- we're, you know, down the street. Our office is down the street from Mr. Shore's -- to come here, to look at some of these files, print them out.

It really is a small subset. We're just talking about the masks, the process flows, the recipes and the GDS files. We've already produced, you know, a lot of information. We're not produced -- we're not keeping as source code anything that's

publicly available or anything that's in a patent.

But in terms of manufacturing semiconductor products, these are the crown jewels. These are, you know, the secret sauce, the recipes for how to make the products. The risk is inadvertent disclosure which is why we think they're deserving of at least the standard source code provisions from Your Honor's standard protective order.

MR. SHORE: If I can briefly respond?

THE COURT: Sure.

MR. SHORE: It's kind of interesting that he tries -- we offered them a compromise to avoid having the hearing. And so now they want to come to the hearing and they want to move the goal post and say, oh, well, now that we've had the hearing and we've refused their compromise, the Court should at last give us the compromise that we refused.

There is no need, none, zero. And what he -- and he can't -- and I would love for him to tell you -- go back to that list that he put up on the screen about what they want and have him tell you what production files are not included, because every single production file, every single piece of production data would be covered by the list that he gave you. And he can't identify one single production run-type document that is not included.

I've never seen this in 30 years of doing this for semiconductor cases. Never. Not once. And the CyWee case is

completely inapplicable. He totally misrepresented what that case involved and what we agreed to.

But the key thing is, the other company, their competitor, who I am suing in North Carolina, did not ask for this. ST did not ask for this when we sued them on MOSFETs 15 or 20 years ago.

I've sued Infineon. They didn't ask for this. I've sued Toshiba. They didn't ask for this. This is purely to force us to walk down the street -- every time we want to talk to our expert about a document, we'd have to walk down the street and I guess fly our expert in from his location, fly our consulting experts in and have a little, you know, conference in the Thompson & Knight offices with them seeing exactly what we're looking at on a computer, which is completely unworkable, unnecessary.

And if his only concern is inadvertent disclosure, how in the world does this address that if he's saying I can print out the pages --

THE COURT: Mr. Shore, you're a little bit repetitive. But you're also enthusiastic as usual. So, okay, give me a few seconds and I'll be back. Unless counsel for -- Mr. Cohen wanted to say anything else, I'm happy to hear that.

MR. COHEN: Just, Your Honor, in our materials we put in the provisions that Mr. Shore agreed to in the past in the CyWee case. Which are essentially the same files we're looking

to protect as source code provisions from that case. It's almost an identical list.

That's all, Your Honor.

THE COURT: Okay. I'll be back in just a second.

(Pause in proceedings.)

THE COURT: The Court is going to deny the request of the defendant.

Let me turn to the other issue. Give me one second, please.

Let's see. And the next -- what I have, the acquisition bar. I'm happy to take that issue up as well.

MR. COHEN: Thank you, Your Honor.

Let me just put up the language. So what we have proposed, Your Honor, is again, what we consider to be a modest addition to the Court's standard prosecution bar.

And if you can see the language here, what we've added to the prosecution bar, Your Honor, is an acquisition bar just to state that anyone that accesses the attorneys' eyes only, the highly confidential material of ST, won't be engaged in purchasing patent applications or patents relating to the design or operation of MOSFET products -- those are the accused products in the case -- for the duration of the case and one year after.

And the reason, Your Honor, and as Mr. Shore already alluded to, Mr. Shore has been a competitive decisionmaker for

acquiring and licensing patents for 20 years. He was a part owner in the Power MOSFET Technologies Company, PMT, that sued ST 15 to 20 years ago over power MOSFETs, over the same products.

There's been numerous cases, not only PMT but Third Dimension, where courts have found Mr. Shore's been a competitive decisionmaker in the space of acquiring and licensing out semiconductor patents.

So what we're asking for, Your Honor, in exchange for seeing the most highly confidential materials of ST, is some limited protection to say those people, those individuals, won't be engaged in patent prosecution, but also won't be out there purchasing patents that they could be used to sue ST again in the future.

And again, Your Honor, we think that's a very modest proposal in exchange for seeing our highly confidential information. Not trying to exclude everyone, but we are trying to protect ST from, you know, the risk of competitive decisionmakers actually seeing, you know, under the hood of the most secretive files that ST has, and then using that against ST in later cases, whether it's for Purdue or for some other semiconductor company or nonpracticing entity buying and licensing patents.

THE COURT: Mr. Shore?

MR. SHORE: I am not, and it has not been alleged that I'm

a competitive decisionmaker for 20 years. So I don't understand where this is coming from.

There's also two different things here. They're saying if we see -- if someone sees their confidential information, that person should not be able to be involved in purchasing patents.

An already existing patent can't take advantage of their -- of their confidential information. A patent that already exists already exists.

So I don't -- there's no logical connection between a patent acquisition bar and their confidential information; because if their confidential information is already in the patents, the patents that would be acquired already exist. There's no risk of spillover.

On the prosecution bar -- I'm sorry --

THE COURT: Mr. Shore, I don't know that I agree with that. I mean -- and I don't want to speak for Mr. Cohen, but my guess, if I let him speak right now, he'd say, you know, the point is that if you see what's in our stuff on this case and, as you are acquiring -- it's like if you were suing Exxon and you found out in this case that, trespass of title or something, where else Exxon was looking to explore, you might want to buy land there the next time you're buying land.

And so I get that the land is public and the patents you're acquiring are public, but how the stuff works is not and where Exxon's going to go explore is not. So I don't think

that's quite accurate.

MR. SHORE: All right. Well, I -- I do think there's a difference between patent prosecution and patent acquisition.

THE COURT: Me too. I do, absolutely. I agree.

MR. SHORE: Let me give you where the problem lies here.

The problem lies here is, I represent probably 20 universities. And the only time patent acquisition has come up recently, and I described this, is there was a -- a company wanted to give a charitable donation to one of my clients, charitable donation of patents, and they asked me to look over the agreement.

You know, I didn't negotiate it or whatever, but they asked me to look over the agreement and advise them on whether or not this, you know, these were patents that they might want, you know, to be -- because they'd have to pay the maintenance fees, and, you know, taking on patents that don't have any value is, you know, actually a liability. It's not an asset.

So what they're doing is, that would prevent me from doing that. This acquisition bar or -- would -- anything to do with the acquisition of patents, it would wipe me out.

I've never seen this before. I've never seen it in any case before. It is obviously directed towards me personally and trying to affect my career and how I work --

THE COURT: Mr. Shore, what I was anticipating you arguing -- and I've not ever been in your business and I have

no -- I'm not negative towards it at all, you know. I -- but I thought you were going to tell me about what other prophylactic measures are already in place. That might be a more helpful direction to go to.

MR. SHORE: Well, yes. Well, let's talk about what the protective order already says.

The protective order already says you cannot use any information except for the litigation. So there's already a prohibition against doing anything with any information you receive or anything other than use in this litigation.

Holland & Knight represents multiple semiconductor companies, including ST's competitors. And so I'm sitting here trying to figure out why is my firm being singled out for this when Holland & Knight and other firms that represent ST in other litigation around the country, they do patent prosecution for ST's competitors, that seems to be fine. They do litigation for ST's competitors, that seems to be fine. They do mergers and acquisitions related to ST competitors, that seems to be fine.

So if we're talking about the use of confidential information for other purposes, the protective order already says you can't do that. And any information used -- let's say ST information used for patent prosecution would have to be disclosed to the Patent Office as prior art under your -- in your IDSs. And if they disclose something to the Patent Office

that was used or relied upon, then obviously ST's going to look at it and say, hey, that's our stuff. No one's going to do this. This never happens.

But anyway, this is a -- this is a provision that is completely unnecessary. My firm has never been accused of violating a protective order. My firm's never been accused of violating a nondisclosure agreement. There's nothing in this that is in any way, shape or form abnormal.

This is just a normal lawsuit. There's nothing special about this lawsuit compared to others. And the idea that we can't -- this is a trap, frankly. And it's almost impossible, it's so broad --

THE COURT: Mr. Shore, let me help you out here, if I can.

What I'm not following from Mr. Cohen's arguments is this: I understand you have specific concerns about Mr. Shore and -- not Mr. Shore maybe personally, but the lawyers whose part of their practice is working for companies that acquire patents or routinely are plaintiffs or whatever you want to say.

But what I'm not getting here is, it seems to me that my standard protective order already takes care of your concern for any lawyer. I'm not picking on Mr. Shore.

I don't care who the -- my protective order was not designed to deal with -- at least it was -- you know, it really had nothing to do with Mr. Shore. It was to deal with everyone on both sides.

And so I'm not sure why my protective order doesn't have sufficient teeth if Mr. Shore or anyone were to take the information that they get during the process of litigating this case or any case and misuse it under the terms of the protective order.

MR. COHEN: Well, I'm happy to take that up, Your Honor. Thank you.

And there are wonderful prophylactic measures already in the protective order. The issue here is, typically, the most confidential material outside counsel, you know, AEO material is limited to outside counsel who are not the competitive decisionmakers, who are not buying -- you know, looking and buying applications and patents to assert and license later, which is why this is a little bit of a special case given Mr. Shore and his firm's company, it -- and his past.

It's not personal. It's just a matter to protect ST.

And it's not that the prophylactic measures aren't enough. The problem being, Your Honor, is that once an attorney sees some of these materials, you see the structure of some of these products, you learn the process flow or the recipe, you already have in your mind information that you can then inadvertently use when you're looking to buy a portfolio. You say, you know what, these patents might actually be pretty good to go assert against ST.

And Mr. Shore has been in that position for 20 years.

He's very good and successful in it. And we think this is a pretty modest protection.

But, Your Honor, there's been two cases, the Fairchild versus 3D case, that found Mr. Shore was a competitive decisionmaker for semiconductor patents. And the Boston University patent cases, similar.

And in the Boston case, they did adopt acquisition bar specifically because of this inadvertent disclosure issue for competitive decisionmakers. Because once it's in your brain, you can't not use it. You can't forget it when you're looking at portfolios to buy.

But the prosecution -- I'm sorry. The acquisition bar that we are proposing, Your Honor, is very narrow. It is only limited to MOSFET products that are at issue in this case.

So we don't want to limit Mr. Shore from buying and licensing out patents and all the other semiconductor fields or other technologies or suing Google or anyone else. But in exchange for accessing our most-highly confidential material, we think a modest acquisition bar, given the special circumstances and the history between ST and Mr. Shore, is appropriate.

MR. SHORE: I'd only go to say they're talking about one case that's 20 years ago.

THE COURT: Mr. Shore, I don't know that I need to hear anything else. But if I do, I'll ask. I'll be back in a

second.

(Pause in proceedings.)

THE COURT: If we could go back on the record.

The Court is going to deny this relief as well.

Is there -- I think this protective order that we have sufficiently takes care of the issues.

Mr. Shore, you're in my screen. Because of that, I'm going to ask you first, is there anything else that we need to take up?

MR. SHORE: Your Honor, the other issue to take up is the third-party discovery issue, basically trying to determine who is a third party under the Court's interpretation of when discovery's allowed to open before or after Markman.

Where this issue's come up is there's two -- they served a slew of subpoenas on the inventors, prosecution counsel and the Purdue Research Foundation. And the Purdue Research Foundation is actually my client in this case.

The Purdue Research Foundation has three roles: The Purdue Research Foundation administers the endowment of -- the research endowment for Purdue. So whenever someone provides a grant for something to Purdue to do a certain type of research, the Purdue Research Foundation works with the faculty and whatever school is involved to make sure that what is being done is within the parameters of the grant, and then will also release grant money to the laboratories, professors and school

pursuant to the rules of the grant or the endowment.

The second thing that they do is they represent inventors, the professors and Ph.D. students and graduate students in accepting invention disclosures. There are lawyers at the Purdue Research Foundation who do this. They accept the invention disclosures, they work with the professors to refine them. And then ultimately the Purdue Research Foundation hires outside counsel to prosecute patents. And it helps with the -- helps the professor and the outside counsel work through that process.

And then the last thing the Purdue Research Foundation does is maintain the patent portfolio, supervise licensing activities, supervise any litigation activities. And all this is done as an arm of the University of Purdue.

So the University of Purdue does not maintain any records of anything related to this lawsuit. Every single piece of paper that is going to be produced by Purdue University in this case is going to come from the Purdue Research Foundation and the inventors.

The inventors in this case are one who's one of founders of one of the largest research labs that is still ongoing at the university. He still is active at that lab. He is also a professor emeritus and still listed as a faculty member.

All faculty at Purdue University operate under a collective bargaining agreement. Certain rights that they have

under the collective bargaining agreements survive their departure from Purdue.

And some of those things are that they share in the proceeds of licensing and litigation of their patents. They have a role to play in approving settlements. Or at least they don't have approval rights, but they certainly have input.

The two professors involved here are our clients. They have been working with us on this project at one of them for more than a year.

And so these are, we believe, not third parties as contemplated by the Court. They have a financial interest in the litigation. They are completely subject to the control of Purdue and the Purdue Research Foundation as -- under the collective bargaining agreement that they are part of. So, you know, we do not think that they are third parties.

The Court may have a different view on the outside law firm that prosecuted the case, that prosecuted the patents. They could be, I suppose, considered a third party.

But there's nothing that they're going to be able to produce that is relevant or germane to anything where it needs to happen now. I mean, if we -- we're happy to go through the process for the law firm of providing a privilege log, but there's literally nothing that's going to be produced by that law firm, other than what's public, that's not privileged, that's not privileged communications.

But the key thing here is, we have the Purdue Research Foundation, which is running this litigation, they're controlling the litigation. They are the agent arm, whatever you want to call it of Purdue University, the party plaintiff who is running the case. That is not a third party, I don't believe, in any normal way to contemplate a third party.

The professors are the same way. They are part of the case. They're our clients. And we are happy to engage in -- and we've already told them that every single thing in the possession of Purdue Research Foundation, everything in possession of the professors is subject to the control of Purdue. Purdue can produce every single thing that's responsive.

The big problem we have here is, when they went and they filed what -- they served all these subpoenas, they did so without consulting us. Then when they served subpoenas, they tried -- they did it in a way that violates the Court's OGP order, demanding every e-mail related to everything without search terms, without even talking to us about search terms. So they violated the OGP, we believe.

And then when we asked them to please put these subpoenas off until, you know, we could have this conversation with this Court, they refused.

Not only did they refuse to put the subpoenas off, they filed motions to compel in Indiana seeking sanctions against

the professors and the research foundation because they did not immediately agree to produce everything and instead objected and asked them to put this off.

One of the subpoena recipients, incredibly, Dr. Saha, is actually stuck in India due to COVID. So I asked them, I said, look, we'll accept service for you to avoid you having to try to serve her in India which they could not have even possibly done. But we said, okay, we'll accept service because she's our client, and I'm not into making people do things that are expensive and time-consuming and wasteful. And so we accepted.

And then I said, well, can you wait until she gets back from India so that she can -- to respond? Because so we can work with her on any objections or anything else. And she's in India, she doesn't have access to anything to search for you. And they refused. They would not even continue it until she got back from India.

So we're sitting here, and what they're doing is they're trying to bum rush us with a bunch of motions -- 100-page motion to compels, and with exhibits. And they're trying to transfer all of the discovery that they're ever going to get from us in this case to a court in Indiana. Without granting any extensions, without following the OGP. This a complete end-run around this Court and this Court's supervision of discovery in the case.

Even so, we told them, if you want to do this, we'll let

you. But since this is all the discovery you're ever going to get in the case, if you want to do this, we should open up party discovery for both sides. Or but if we're not going to open up party discovery for both sides, this should not be discovery that you get before Markman, because these are effectively our clients.

I mean, it -- the only reason why they're not named is because of the Patent Act has a standing requirement that yet, you know, the person who's named in a patent infringement is the assignee. If the Patent Act said everybody who got money from the patent enforcement, all these people would be parties. Because all of them have a financial interest, and all of them have a controlling interest in what happens in the case. And when I say controlling, I mean they're directing the litigation.

So what we're asking the Court to -- and by the way, we have moved to transfer the ancillary proceedings they filed in Indiana to you. And all of the subpoena recipients have consented to the transfer of the motions to compel and the ancillary proceedings to you.

ST wouldn't agree to that. For some reason they don't want you deciding whether or not these subpoena requests are acceptable, even though it's your case.

So we've moved to transfer. We filed that yesterday. We've asked them to postpone compliance. They refused. We've

asked them, you know -- so every single attempt at trying to resolve this, short of having you come in and basically tell them that they can't seek discovery from these people until after Markman or, if they can seek it, that that opens up discovery to everybody because otherwise it's a one-way discovery.

And I can tell you right now, the discovery that they sent in Indiana would take -- I'm not exaggerating -- probably 150 to 200 hours just to go through all of the privilege logs we would have to produce. Because they asked for every single document between the inventors and the law firm, every document between the law firm and Purdue, between the law firm and the Purdue Research Foundation. It is a massive task that they have asked us to do and refused to give us any time to do it.

So we've come to the Court -- and I don't like having to punch my frequent flyer card twice in two days. I don't like coming here. I'd rather work things out and I tried to work things out, but I think we're at the point where we need the Court to give us a little bit of guidance on whether or not the Purdue Research Foundation and the two inventors at the very least are not, for the purposes of the Court's schedule, third parties since they are receiving proceeds from the case, they're clients and they are controlling the case as far as controlling the conduct of the case and they are inextricably intertwined both by contracts and by their founding documents,

in the case of PRF. They are both inextricably intertwined with Purdue and Purdue is, if anything, a titular plaintiff simply because they hold the assignment.

MR. SIEGMUND: Your Honor, before we switch over, could I just put this into context, just real quick, of why third-party discovery was even granted by Your Honor?

THE COURT: Sure.

MR. SIEGMUND: So because defendants operate as a full-service semiconductor and they sell, you know, the accused products to a bunch of third parties, you know, such as Apple Tesla, Samsung, that was the whole reason we asked in the case readiness status report to go ahead and start that process. Because obviously that's going to be very relevant to that case. That is the third parties that we're talking about, Apple, Samsung, and not this case.

And even before we got involved with this, defendants served, I believe, their Freedom of information Act request on actual Purdue University seeking discovery from our client.

The Court already ruled on that issue so it's no longer before Your Honor. But what it really seems to be like is an end around -- around, you know, Your Honor's OGP, and what we've kind of put forth in the case readiness status report, which was the whole purpose of this from the beginning.

So I just wanted to give you some context to what we were kind of seeking from the very beginning. But that's all I

have.

THE COURT: Okay.

MR. SHORE: And we'd also note that when they sent the Freedom of Information Act request, they didn't copy us, and they did not send it from trial counsel. It came -- it sort of slid -- so it sort of slid into the office without any -- without telling us what they were doing, doing it with a disguised lawyer who is not affiliated with -- who's not a Holland & Knight lawyer who was on the case anyway. And I don't believe the request even revealed it came from Holland & Knight. It came from an individual.

So this is, again -- this is an attempt to end around and to move discovery outside of the control of the Court and outside, frankly, of even our knowledge that we would have any ability to do it.

My client called me and said, hey, the university just called me asking for documents for a Freedom of Information Act request related to this case. And I'm going, what do you mean? What are you talking about? That's the first I heard of it.

So this is Thompson & Knight going behind our back to try to get information that they're not entitled to. And we caught them and we stopped them. But this is what we're dealing with.

THE COURT: Mr. Cohen?

MR. COHEN: Your Honor, I completely disagree with the characterization and the history. But the fact is, if --

Purdue Research Foundation, they're a nonparty. If they're running and controlling the case, they could have been a plaintiff.

What PRF and Mr. Shore and Purdue chose to do is to transfer the patents from PRF to Purdue University for sovereign immunity purposes.

Purdue, over ST's objection, then asked to open third-party nonparty discovery. We objected and said we're fine waiting until discovery opens after Markman.

The Court opened nonparty discovery. We pursued nonparty discovery. And, in fact, Your Honor, contrary to what Mr. Shore said, we tried to work with Mr. Shore.

And I'll just show you the e-mail that Mr. Ciccarelli sent to Mr. Shore's firm before we sent any of these third-party subpoenas. We specifically said: We intend to serve third-party subpoenas. We intend to serve subpoenas on the Purdue Research Foundation, Barnes & Thornburg, Mr. Barhet and the inventors.

If Purdue intends to take the position that any of these are not third parties, please let us know, and let us have a meet-and-confer so that we could avoid this issue exactly.

No one from Mr. Shore's firm, no one representing Purdue responded to us. So nobody let us know they were representing these people or that they were going to take the position that they're not third parties.

We served subpoenas. And again, Mr. Shore and his firm remained silent. And it wasn't until they served objections that they said, we're representing these third parties. They're not really third parties, they're closely related; and therefore, we're not going to produce any information or any documents whatsoever. So we asked to start meeting and conferring.

And Mr. Shore was quite explicit that he would absolutely under no circumstances meet and confer and agree to produce any information in response to these third-party subpoenas unless party discovery was open. You know, issues that we don't believe are linked.

So the fundamental problem here, Your Honor, is, I believe, Purdue wants to have the benefit of making PRF a third party and having Purdue University as the plaintiff and getting sovereign immunity. They want to open third-party discovery, but then they want to play like PRF is actually a party for the benefit of avoiding discovery and putting it down the road.

If what Mr. Shore says is correct, that the university has no relevant documents, then party discovery's kind of irrelevant. All the information relevant for the case is going to come from PRF and the inventors.

Now, we had a call, a pretty long call, Tuesday afternoon that tried to resolve all these issues. I've been working with ST as of yesterday afternoon to try to resolve it and come to a

compromise, but Mr. Shore wanted to bring this issue to the Court today.

So we haven't taken a position on transferring the motions to compel to this Court. We haven't had a chance to respond to most of the proposals Mr. Shore and I discussed Tuesday afternoon.

But here we are, Your Honor. ST believes we've followed the -- both the letter and the spirit of the Court's order. We've tried to --

THE COURT: Mr. Cohen, based on that representation, I'm going to give you all an opportunity to chat and discuss this. And if you can't work it out, it seems to me -- without going too far, it seems to me that if Mr. Shore and the plaintiff will give you sort of an iron-clad commitment that your ability to get discovery from these people who are -- I'm not calling them quasi third party. I mean, they're interested parties. They -- they're not the party that's in the suit.

But if -- it seems to me, generally speaking, as I'm listening to you all, that if Mr. Shore will give you a commitment that you'll get whatever you need from them without treating them like third parties, then it's better for both of you. It's certainly better for you to not have to go through the third-party process.

On the other hand, sword and shield, if Mr. Shore can't give you that kind of commitment that he has sufficient control

over these people to get you the information without making you go through third-party discovery, then I might have a different view of this.

So I'm going to let you all, with that just general advice, go back and see what you can work out.

It certainly seems to me to make the most sense if Mr. Shore has the -- and his firm has the control over these folks to make it -- to obviate the need for third party that -- the wonder that is third-party discovery in federal court. It's greatly to your advantage.

And I would strongly -- from the representation he just made on the record --

Sorry to talk about you, Mr. Shore, in the third person. I see you sitting there.

But having heard the representations Mr. Shore just made to the Court that these really aren't full-blooded third parties because, you know, they have an interest in the case, I would anticipate he would be pretty agreeable to getting you what he can.

And if for some reason down the road one of those third parties decides that they're not really a party and that they're not going to cooperate with Mr. Shore, and, you know, you all can work that out and you can bring that back to my attention if you need to. But it sounds to me like Mr. Shore can take care of any your concerns.

If I recall correctly, I think the reason I allowed third-party discovery in this case was primarily to make sure that we would get the -- keep the case on track. We could get that discovery started early.

And I thought I even -- I could be wrong. I have other cases too. But I thought I had even stayed the production of discovery until after the Markman, or I'd done something to keep it as fair as I could.

But if -- so what I'm telling plaintiff is these people are either going to be all in or all out. If they don't -- if Mr. Shore doesn't want them treated like third parties now for purposes of discovery, he's going to need to commit to you that he can provide to you whatever you need without the need for the defendant to take third-party discovery.

If he can't, then I think the same thing would be true for you all, that we want to get the third-party discovery started now to make sure we can keep the case on track.

So you guys go back and see what you can work out. And if you can't work something out, let Regan know and we'll get back together.

MR. SHORE: Your Honor, one quick point. We will stipulate -- we're on the record -- we will stipulate that Purdue University has full and complete control over all documents and material and the ability to present for deposition every single entity that is subject to the current

subpoenas, the law firm, the two professors, Purdue Research Foundation. They will be 100 percent under the control. The professors even have an obligation to cooperate in order to receive the payments they receive under the collective bargaining agreement.

So we have complete control, total control. And we will maintain that control throughout the litigation.

The only reason why we asked the Court to get involved now as opposed to later is because there are deadlines looming in Indiana to respond to 100-page motion to compels. And that is going to be a huge massive amount of work we're having to do during Markman.

So that's the only reason why -- that's the only reason. We didn't come here to interrupt a conference process. We conferenced with them for a week. And last Tuesday is, you know, several days ago.

But we need to get this resolved very quickly or otherwise we're going to be kind of mooted in having to deal with it, so -- because they refuse to grant us any extension of our response dates to anything. They're really trying to rush us through the Indiana process.

And so that's why -- I can tell the Court right now and I can tell ST right now, these witnesses, the inventors, the law firm, PRF, 100 percent totally under the control of Purdue. Everything that they have Purdue has access to and will produce

every single relevant document that is involved in the case.

THE COURT: Okay. Mr. Cohen, I would take that as a win. Seems to me you're much better off right now than when we started.

And I meant to say this to you yesterday, Mr. Shore, but you gave me an opportunity to say it today. I'm going to start keeping a list of every time we're -- I've ruled in your favor and you've gone ahead and decided you still needed to argue something. So I think the list will grow over my time on the bench if I'm careful to keep it.

So, Mr. Shore, is there anything else that you'd like to take up?

MR. SHORE: The only thing is -- and again, I apologize for continuing on this, but the timing is important.

So when you tell ST that they've got -- we've got to agree, we need something from the Court so that we can go to Indiana and say this issue is moot, you know, the -- this issue is over. These motions to compel are withdrawn. The subpoena --

THE COURT: The way -- I don't have -- you know, I do not know that I have the power to do anything with regard to that other case. But I will put on the record that based on the representation that you just gave, I would deny the defendant their third-party discovery now based on your representation that you will be able to take it up in the ordinary course of

the way I handle my schedule in this case and that they're going to be able to get all the discovery they need to you -- they need to get from you -- from you and in the same manner as if those -- everyone that is -- they care about on the third-party level is under your control.

So as far as I'm concerned, with regard to my court, there's no need for the third-party discovery.

MR. SHORE: That's all we need, Your Honor. Thank you.

THE COURT: Mr. Cohen, are you satisfied with that as well?

MR. COHEN: Yes, Your Honor.

THE COURT: Okay. Very good.

Anything else we need to take up?

MR. COHEN: Nothing from defendants, Your Honor.

MR. SIEGMUND: Nothing from us, Your Honor.

THE COURT: I didn't see. Is it Kristie or Lily who's taking this?

THE REPORTER: Kristie.

THE COURT: Kristie, I would anticipate you getting an emergency request for the transcript just as soon as we break here. So you may as well just go ahead and start --

THE REPORTER: They're on it.

(Off-the-record discussion.)

(Hearing adjourned at 10:27 a.m.)

UNITED STATES DISTRICT COURT)

WESTERN DISTRICT OF TEXAS)

I, Kristie M. Davis, Official Court Reporter for the United States District Court, Western District of Texas, do certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter.

I certify that the transcript fees and format comply with those prescribed by the Court and Judicial Conference of the United States.

Certified to by me this 29th day of January 2022.

/s/ Kristie M. Davis

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